

**CRUISE SHIP COMMITTEE**

**PACKET OF MATERIALS**

**MEETING MAY 12, 2016**

Cover page with date

Agenda

Minutes for approval

Supporting Documents

# AGENDA

## **Bar Harbor Cruise Ship Committee**

**Thursday May 12, 2016**

**12:30 PM**

**Council Chambers**

**Municipal Building**

**93 Cottage Street**

- I. Call to Order
- II. Approval of Minutes
  - A. April 14, 2016
- III. Adoption of agenda
- IV. Staff Reports
  - A. Ferry Terminal Property update
- V. Regular Business
  - A. Discussion to finalize questions for Cruise Passenger Economic Study
- VI. Items for the next agenda
- VII. Set next meeting time, date and place for the next meeting.
- VIII. Adjournment

# BAR HARBOR CRUISE SHIP PROJECT PROPOSAL

## Project Proposal

Submitted by: Todd Gabe, Professor of Economics—University of Maine

Submitted to: Robert Osborne, Planning Director  
Town of Bar Harbor, Maine

Project title: Economic Impact of Cruise Ship Passengers in Bar Harbor, Maine

Scope of work: The purpose of this study is to estimate the economic impact of cruise ship passengers in Bar Harbor, Maine. Economic impact is defined as the output (i.e., sales revenue), employment and labor income (e.g., wages and salaries) that are supported by the spending of cruise ship passengers while in port (direct impacts), as well as the multiplier effects from the spending of businesses (indirect impacts) that sell goods and services to those passengers, and from the spending of these businesses' employees (induced impacts).

The project will involve two primary activities. The first activity is a mail survey of cruise ship passengers visiting Bar Harbor. The survey will ask questions about the amount of money passengers spent in port, the activities passengers pursued while in port (e.g., cruise-line sponsored tours, areas of town visited, etc.), time constraints they may have faced, plans for return travel to the area, and several personal characteristics.

Surveys will be distributed to approximately 3,000 passengers visiting Bar Harbor between May (if possible) and October of 2016. The surveys will be returned by mail to the University of Maine. Based on our experience from other projects, we expect to receive more than 1,000 completed surveys.

The second activity is analyzing the survey data and estimating the economic impact of cruise ship passengers. Results of the survey will be used to develop a detailed socio-economic profile of Bar Harbor's cruise ship visitors. Expenditure information will be used to estimate the regional economic impacts associated with passenger spending. The impact analysis will be conducted using an input-output model of the Bar Harbor and surrounding regional economies, which accounts for the "multiplier effects" associated with passenger spending.

We will provide a report of the project findings on, or before, February 1, 2017.

Project Budget: The project will cost approximately \$9,420. This includes \$8,336 in direct costs and \$1,084 in indirect costs (i.e., University of Maine overhead). The direct costs include travel to and from Bar Harbor; support for UMaine students who will distribute surveys and help with data entry; and survey materials, printing and postage.

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The budget does not include any salary or compensation for the University of Maine faculty members involved in the project.

Project Limitations: Given its focus on the expenditures of cruise ship passengers, the project will not directly examine the economic impacts of crew members. Since it is beyond the scope of this project to “count” the number of people who get on and off the ship, the passenger impact figures will be based on the total capacity of the ships that visit Bar Harbor during the 2016 cruise ship season. Finally, the survey will be limited in scope to (mostly) questions about passenger expenditures, demographics, activities pursued while in port, etc.

Other Information: The study will be conducted by Professors Todd Gabe and James McConnon. University of Maine students will provide assistance on the data collection and analysis efforts. We will require information from the Town of Bar Harbor on the tours that are available to passengers while in port. In addition, we will request written permission from Bar Harbor to distribute the surveys at a location where the passengers return to the ship.

Contact Information: Todd Gabe; School of Economics; 5782 Winslow Hall; University of Maine; Orono, ME 04469; voice: (207) 581-3307

e-mail: [todd.gabe@maine.edu](mailto:todd.gabe@maine.edu)

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Budget Details:

Graduate Student Labor = \$1,800

Undergraduate Student Labor=\$2,880

Justification: UMaine students will be involved in the project, with the primary duties of distributing surveys to cruise ship passengers and assisting with data entry and analysis.

Mileage: Orono to Bar Harbor (@120 miles, roundtrip) x 20 trips = \$1,056

Non-Mileage Travel Expenses = \$1,000

Justification: The project will require about 20 trips from Orono to Bar Harbor. Mileage reimbursement is figured at \$0.44 per mile. The non-mileage expenses cover the costs of food and other incidentals while collecting data in Bar Harbor

Survey Materials, Printing and Postage=\$1,600

Justification: The budget covers the costs of about 3,000 first-class postage stamps and other supplies (e.g., envelopes, paper, etc.).

Total Direct Costs: \$8,336

Indirect Costs (@ 13 percent of direct costs for in-state projects): \$1,084

Total Costs: \$9,420